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FEDERAL COMMUNICATIONS COMMISSION . OFFICE OF SECRETARY

BY HAND

William F. Caton Acting Secretary Federal Communications Commission Room 222 -- Mail Stop 1170 1919 M Street, N.W. Washington, D.C. 20554

Re:

Ex Parte Communication In WT Docket No. 95-157

RM-8643

Dear Mr. Caton:

Pursuant to Section 1.1206(a)(2) of the Commission's Rules, I am filing the original and one copy of this letter to report an oral <u>ex parte</u> communication in the above referenced proceeding. Yesterday afternoon, on behalf of the Personal Communications Industry Association (PCIA), Mark Golden met with David Furth, Acting Chief of the Commercial Wireless Division and members of his staff, Linda Kinney and Rhonda Lien, to discuss the referenced proceeding. Joining Mr. Golden on behalf of Pacific Bell Mobile Services were Betsy S. Granger, Gina Harrison and Steve Aspell. The meeting discussion focussed on microwave relocation issues including cost sharing and relocation guidelines. Attached are materials that were reviewed and discussed during the meeting.

Due to delays in returning to PCIA's office after the afternoon meeting, this filing is being made the following day. Please call me if you have any questions regarding this notice.

Respectfully submitted,

Robert L. Hoggarth

Director, Regulatory Relations

cc: David Furth, Esq.

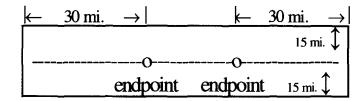
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Microwave Relocation Issues

Pacific Bell Mobile Services March 1996

- Adoption of a cost sharing plan is widely supported in the record and will benefit all parties.
- A reimbursement cap of \$250,000 should be included in the plan.
- If a cost fits into one of the cost categories, it should be subject to reimbursement, eliminating the need to determine what constitutes a premium.
- A separate \$150,000 cap should be available for new towers or modifications of existing towers.

- The proximity threshold, rather than interference analysis based on TIA Bulletin 10, should be used to determine cost sharing obligations.
- It is simple to understand, easy to administer and will minimize the potential for disputes.
- The proximity threshold creates a bright line test for cost sharing obligations.
- If a subsequent licensee constructs a fixed base station located within the rectangle, his cost sharing obligation is triggered.



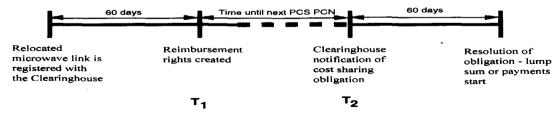
Pacific Bell Mobile Services

- PCIA should be designated to serve the clearinghouse function. They have substantial experience in frequency coordination work and can fairly serve the needs of all PCS licensees.
- Concerns that it is not a neutral party are misplaced.

- We have no objection in principle to allowing microwave incumbents to participate in the cost sharing plan. Any microwave incumbent that voluntarily assumes the risk of self-relocation after the effective date of the order establishing cost sharing should be eligible to participate. The risk in self-relocation is that no PCS entity may ever build within the rectangle. The benefit to PCS is that it encourages spectrum clearing.
- This issue should not delay action on the NPRM. If additional comments are needed, the Commission should initiate a separate phase of the proceeding.

- Calculation of reimbursement rights should be a clearly identifiable date.
- The Commission should <u>not</u> choose a uniform date for T₁ (the date on which the depreciation begins, as defined in the cost sharing formula) that applies to all A and B block licensees. The date should be tied to the relocation of individual microwave links.
- T₁ should be specific to each license so that depreciation corresponds to the actions of each licensee.

T₁ is 60 days from the date the relocated microwave link is registered, T₂ is the date the 2nd PCS provider comes into the market



- The Commission must take action to remove the incentive the incumbents have to delay PCS deployment.
- The proposals of PCIA, CTIA, and PBMS are all acceptable ways to achieve the result.

- CTIA good faith requirement applies to voluntary period, demands by microwave incumbents that exceed twice the comparable cost are <u>prima facie</u> unreasonable and evidence of bad faith in the mandatory period, and failure to negotiate in good faith should result in revocation of the license and loss of right to relocation.
- PCIA voluntary period to be replaced by one year mandatory period, good faith required at all times, failure to negotiate in good faith should result in receiving a cash payment not to exceed the greater of independent appraisals and conversion to secondary status in 90 days.

• PBMS - in mandatory period comparable facilities consist of either the depreciated value of the system based on 10 year straight line depreciation or the provision of uninstalled equipment consisting of comparable radios, antennas, transmission lines and a frequency study; failure to act in good faith in the mandatory period should result in conversion to an involuntary relocation and the incumbent should be declared to be in secondary status without compensation.

- The extended relocation period for public safety licensees should only be available to a licensee in which a majority of the communications involve the safety of life or property.
- The incumbent's 402 application should be used to make this determination. If a majority of the channels in the initial channel loading, e.g. 51 of 100 channels, carries communications involving the safety of life or property, then the incumbent should qualify for extended relocation.
- Self-certification should not be allowed.

- The twelve month test period should not be available to incumbents that accept a cash settlement.
- Conversion to secondary status should occur by April 4, 2001 and certainly no later than 2005.
- Secondary users must cease operations at the request of a PCS licensee.
- Procedures must be implemented to address how to proceed if operations continue.

Conclusion

• A cost sharing plan and modification of relocation guidelines will bring about faster deployment of PCS services and will make the market in CMRS more competitive. Both results are in the public interest.